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IN THE
Supreme Court of the United States

KSR INTERNATIONAL CO.,
Petitioner,

v.

TELEFLEX INC. AND TECHNOLOGY HOLDING CO.,
Respondents.

On Writ of Certiorari to the United States Court of Appeals For the Federal Circuit

BRIEF OF THE AMERICAN BAR ASSOCIATION AS *AMICUS CURIAE* SUPPORTING RESPONDENTS

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QUESTION PRESENTED

Whether the Federal Circuit has erred in holding that a claimed invention cannot be held "obvious," and thus unpatentable under 35 U.S.C. § 103(a), in the absence of some proven "'teaching, suggestion, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed."

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INTEREST OF THE AMICUS CURIAE[1]

The American Bar Association ("ABA"), with more than 413,000 members, is the leading national membership organization of the legal profession. Its members come from each of the fifty states, the District of Columbia, and the U.S. territories. Membership is voluntary and includes attorneys in private practice, government service, corporate law departments, and public interest organizations, as well as legislators, law professors, law students, and non-lawyer associates in related fields.[2] ABA members represent the full spectrum of public and private litigants, including plaintiffs and defendants.

The ABA's Section of Intellectual Property Law ("Section") is the world's largest organization of intellectual property professionals, with approximately 19,000 members including lawyers, associates, and law students. In recognition of the uniqueness of patent law, including the special importance of predictable rules governing patent claims, the ABA established the Section in 1894 as the first ABA section to deal with a special branch of the law. The Section has contributed significantly to the development of the American system for the protection of intellectual property rights. The Section is composed of lawyers of

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[1] Pursuant to Rule 37.6, *amicus curiae* certifies that no counsel for a party authored this brief in whole or in part and that no person or entity, other than *amicus*, its members, or its counsel, has made a monetary contribution to the preparation or submission of this brief. The parties have filed letters with the Clerk of the Court providing blanket consent to the filing of *amicus* briefs.

[2] Neither this brief nor the decision to file it should be interpreted to reflect the views of any judicial member of the American Bar Association. No inference should be drawn that any member of the Judicial Division Council has participated in the adoption or endorsement of the positions in this brief. This brief was not circulated to any member of the Judicial Division Council prior to filing.

diverse backgrounds who represent patent owners, accused infringers, individual inventors, large and small corporations, universities and research institutions across a wide range of technologies and industries. Many Section members represent such entities and individuals before the U.S. Patent and Trademark Office.

At its 2006 Annual Meeting, the ABA House of Delegates adopted a policy that "supports maintaining a 'teaching, suggestion, or motivation' inquiry with respect to combining elements or features in the prior art in determining obviousness of an invention under 35 U.S.C. § 103."[3]

SUMMARY OF THE ARGUMENT

The requirement that there be a teaching, suggestion, or motivation to combine elements in the prior art is a useful and appropriate way to provide objectivity and avoid hindsight in obviousness determinations. The teaching-suggestion-motivation inquiry is deeply rooted in case law and finds support in this Court's decision in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). The inquiry looks to both the explicit and implicit teachings of the prior art, the explicit and implicit knowledge of the skilled artisan, and the nature of the problem to be solved. The particular manner in which implicit teachings and knowledge may be used in an evidentiary-based analysis, though not developed in the opinion on review, is clearly developed in other Federal Circuit opinions.

Abandoning the teaching-suggestion-motivation inquiry as urged by the Petitioner would significantly weaken the patent system by creating a less objective and less predictable methodology for determining patentability. Such

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[3] http://www.abanet.org/leadership/2006/annual/DAILY_JOURNAL.pdf.

a result would stifle innovation by effectively disqualifying many new technologies from patent protection and by increasing the time and expense associated with patent procurement. A less objective methodology would also hinder innovation by increasing the frequency and expense and decreasing the predictability of litigation.

Fundamentally changing the method for determining obviousness would have far-reaching economic and technological implications, and could be expected to affect different industries in many different ways. Congress is in a better position to investigate whether fundamental change is needed and decide what, if any, changes should be made. This case presents no reason to depart from longstanding and sound legal precedent. The ABA respectfully submits that the question before this Court should be answered in the negative.

ARGUMENT

I. The Teaching-Suggestion-Motivation Inquiry Is Deeply Rooted in the Law and Has Succeeded in Providing Objectivity and Predictability in Obviousness Determinations.

The requirement that there be some suggestion in the art to combine or modify prior art teachings dates back more than five decades to early decisions of the Court of Customs and Patent Appeals.[4] Numerous subsequent decisions of that court, both before and after *Graham*, firmly established the requirement for a suggestion to combine prior art disclosures.[5] The Federal Circuit, created with a primary

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[4] *See, e.g., In re Williams*, 223 F.2d 291, 293-94 (C.C.P.A. 1955); *In re Demarche*, 219 F.2d 952, 956 (C.C.P.A. 1955).

[5] *See, e.g., In re Hill*, 284 F.2d 955 (C.C.P.A. 1960); *In re Bergel*, 292 F.2d 955, 956-57 (C.C.P.A. 1961); *In re Imperato*, 486 F.2d 585, 587 (C.C.P.A. 1973); *In re Regel*, 526 F.2d 1399, 1403 n.6 (C.C.P.A. 1975).

purpose of achieving greater uniformity in the application of patentability standards,[6] subsequently developed the teaching-suggestion-motivation inquiry more fully.

A. This Court Has Recognized the Need to Avoid Hindsight and the Need for Objectivity and Predictability in Determining Obviousness.

This Court has recognized that hindsight is not germane to obviousness and must be kept out of the obviousness analysis. *Graham*, 383 U.S. at 36; *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809, 810 (1986) ("in addressing the question of obviousness a judge must not pick and choose isolated elements from the prior art and combine them so as to yield the invention in question if such a combination would not have been obvious at the time of invention.").

In the *Graham* opinion, this Court established a framework for evaluating obviousness under Section 103. In particular, inquiry is made into three objective factual matters: the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of skill in the art. This Court also invited scrutiny of "subtests" of nonobviousness, which it called "secondary considerations," including commercial success, long felt but unsolved needs, and the failures of others. Only after all these factors are weighed and evaluated is the court to determine whether the invention as a whole would have been obvious. 383 U.S. at 13-18.

This Court then acknowledged the difficulties in applying the nonobviousness test because:

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[6] *See* H.R. REP. NO. 97-312, 97th Cong., 1st Sess. at 11 (1981).

> What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context. The difficulties, however, are comparable to those encountered daily by the courts in such frames of reference as negligence and scienter, *and should be amenable to a case-by-case development.*

383 U.S. at 18 (emphasis added). While the *Graham* framework does not specifically prescribe all relevant factors in the obviousness determination, it looks to objective criteria and provides the basic framework for the analysis. The teaching-suggestion-motivation inquiry, as articulated by the Federal Circuit and one of its predecessor courts, is just the type of "case-by-case development" in the law of obviousness called for in *Graham*. *Id.*

B. The Teaching-Suggestion-Motivation Inquiry Is A Useful and Appropriate Method for Determining Patentability While Avoiding Hindsight.

The *Graham* framework provides useful guidance to address the final and ultimate inquiry of whether an invention would have been obvious. In following this Court's guidance in *Graham* and *Dennison*, and as a safeguard against the "insidious effect of a hindsight syndrome," *In re Fine*, 837 F.2d 1071, 1075 (Fed. Cir. 1988), the Federal Circuit has consistently required a showing of a teaching, suggestion, or motivation to combine elements in the prior art. *See, e.g., In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1992).

The question of whether there is a teaching, suggestion, or motivation to combine prior art teachings is a component of *Graham*'s inquiry into the scope and content of the prior art. *SIBIA Neurosciences, Inc. v. Cadus Pharmaceutical Corp.*, 225 F.3d 1349, 1356 (Fed. Cir. 2000).

Other *Graham* factors, particularly the level of skill in the art and the differences between the invention and the prior art, also may speak to whether it would have been obvious to combine elements in the prior art. *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351 (Fed. Cir. 2001). The teaching-suggestion-motivation inquiry, in short, is an evidentiary-based methodology to ensure that the *Graham* framework is properly followed.

The teaching-suggestion-motivation inquiry has been widely approved of by knowledgeable commentators. The inquiry has been described as a "well-established obviousness guideline"[7] and "an established element in the obviousness determination."[8] One commentator identifies the characteristic objectivity of the teaching-suggestion-motivation inquiry, ensuring "the decision-maker will not substitute her own judgment" for that of the hypothetical person skilled in the art.[9]

In an October 2003 report,[10] the Federal Trade Commission (FTC) likewise "urges" that, in assessing whether it would have been obvious to combine or modify prior art references, consideration should not be limited to "concrete suggestions or motivations" but also include "suggestions implicit from the prior art as a whole, suggestions from the nature of the problem to be solved, and

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[7] John B. Sganga, Jr., *Litigating Obviousness: A New Approach for Using Expert Witnesses*, 81 J. PAT. & TRADEMARK OFF. SOC'Y 181, 182 (1999).

[8] Irah H. Donner, *Combating Obviousness Rejections under 35 U.S.C. Section 103*, 6 ALB. L.J. SCI. & TECH. 159, 183 (1996).

[9] Joseph P. Meara, Ph.D., Notes & Comments, *Just Who is the Person Having Ordinary Skill in the Art? Patent Law's Mysterious Personage*, 77 WASH. L. REV. 267, 275 (2002).

[10] FED. TRADE COMM'N, *To Promote Innovation: The Proper Balance of Competition and Patent Law & Policy* (2003) at 4 –9 to 4–15.

the ability and knowledge of one of ordinary skill in the art." *Id.* at 4–15.

C. The Teaching-Suggestion-Motivation Inquiry Provides Ample Flexibility to Consider Factors in Addition to Explicit Prior Art Teachings.

In the opinion on review, the Federal Circuit remanded to the district court to make a specific factual finding of the "specific understanding or principle within the knowledge of the skilled artisan that would have motivated one with no knowledge of [the] invention to make the combination." In a subsequent decision, the Federal Circuit elaborated on the point, holding that – consistent with the FTC recommendation – the motivation to combine prior art elements may be found explicitly in the prior art or "may be implicit from the prior art as a whole . . . The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." *In re Kahn*, 441 F.3d 977, 987-88 (Fed. Cir. 2006) (quoting *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000)); *see also Alza Corp. v. Mylan Labs., Inc.*, No. 06-1019, slip. op. at 5-7 (Fed. Cir. Sept. 6, 2006).

Various other Federal Circuit decisions illustrate the flexibility of the teaching-suggestion-motivation inquiry, as well as the importance of considering implicit evidence in the analysis. *See, e.g., Pro-Mold and Tool Co., Inc. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1573 (Fed. Cir. 1996); *Ruiz v. A.B. Chance Co.*, 357 F.3d 1270, 1276 (Fed. Cir. 2004); *National Steel Car Ltd. v. Canadian Pacific Railway, Ltd.*, 357 F.3d 1319, 1338 (Fed. Cir. 2004). Such a flexible

approach enables a court or patent examiner[11] to evaluate the evidence and properly reach a conclusion of obviousness whenever an inventor's solution to a problem would have been evident to persons skilled in the art, even if the relevant knowledge of the skilled artisan was not reduced to writing.

II. Reducing Objectivity and Predictability in Obviousness Determinations Would Burden the Courts, the Patent and Trademark Office, Inventors, Litigants, and the Public as a Whole.

Members of the bar need predictability to counsel clients in matters involving patent validity. Abandoning the teaching-suggestion-motivation inquiry would result in a more subjective approach with far less certainty, and ultimately would provide less guidance to the bar. If some elusive method not based on evidence were to be substituted for the present inquiry, hundreds of thousands of patents granted under the teaching-suggestion-motivation methodology would be immediately placed under a cloud.

Without a teaching-suggestion-motivation inquiry, the courts, patent examiners, and litigants would be left with little guidance as to the manner in which the *Graham* factors should be weighed when combination issues arise. As the ultimate issue of obviousness is a question of law[12] warranting *de novo* review on appeal, if this Court reverses firmly established precedent, the Federal Circuit could expect a flood of appeals from district courts and from the Patent and Trademark Office. Such an environment also would

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[11] The Manual of Patent Examining Procedure, § 2144.03, permits patent examiners to take official notice of common knowledge in the art or "well known" prior art. *See, e.g., In re Beasley*, 117 Fed. Appx. 739, 744 (Fed. Cir. 2004).

[12] *Graham*, 383 U.S. at 17; *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 280 (1976).

increase the frequency and expense of patent litigation because parties would be hard put to predict how a court would rule on validity.

Because most inventions involve combinations of old elements, appellate review of obviousness rejections made by the Patent and Trademark Office often hinges on the issue of whether it would have been obvious to combine individual prior art elements. This Court has held that evidentiary findings of the Patent and Trademark Office must be reviewed using the standard in the Administrative Procedure Act (APA), 5 U.S.C. § 706. *Dickinson v. Zurko*, 527 U.S. 150, 163 (1999). Under the APA standard of review, there must be substantial evidence to support the factual underpinnings of a rejection under 35 U.S.C. § 103. *In re Gartside*, 203 F.3d 1305, 1319 (Fed. Cir. 2000). Abandoning the teaching-suggestion-motivation inquiry would frustrate appellate review of Patent and Trademark Office decisions because the appellate court would have far less evidentiary basis on which to review the agency's conclusions.

III. Significant Changes in the Application of the Obviousness Standard Should Be Reserved to the Congress.

The application of the obviousness standard by the courts and by the Patent and Trademark Office has profound economic and technological policy implications. The fact that the Congress has not intervened during several decades – decades that have witnessed unprecedented technological advancement – should be taken into consideration by this Court.

Even if this Court considers the patent system to be in need of change, there is no basis to conclude that abandoning the teaching-suggestion-motivation inquiry would be beneficial. The part of the patent system to which the

teaching-suggestions-motivation inquiry applies seems to be working well, and certainly no less well than other parts of the system. A recent study found that the Federal Circuit affirmed lower court decisions featuring a teaching-suggestion-motivation inquiry just as often (65.3%) as it affirmed decisions not featuring the inquiry (65.0%). In the cases featuring the teaching-suggestion-motivation inquiry, a result of obviousness (52.4%) was reached more often than a result of non-obviousness (47.6%).[13]

Congress, rather than the courts, is in the best position to determine whether significant change is warranted in the longstanding methodology for determining obviousness. It is also worth noting that although the teaching-suggestion-motivation inquiry has existed in one form or another for more than 50 years, neither the U.S. Government in general nor the Patent and Trademark Office in particular has ever sought Supreme Court review or statutory modification.

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[13] Lee Petherbridge and R. Polk Wagner, *The Federal Circuit and Patentability: An Empirical Assessment of the Law of Obviousness*, The Berkeley Electronic Press, http://lsr.nellco.org/upenn/wps/papers/103 at 46 (2006).

CONCLUSION

For the reasons set forth above, the ABA respectfully submits that this Court should affirm the judgment of the United States Court of Appeals for the Federal Circuit.

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